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A monetary measure by Congress

Hamilton, Ont.

1871

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... A monetary measure by Congress, fitted to create general and permanent confidence in the United States, a speedy and effectual means of rebuilding Chicago and affording immediate assistance to the other fire localities... Hamilton, Ont., 1871.

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[A CONTRIBUTION TO THE CHICAGO AND OTHER SUFFERERS.]

A

MONETARY MEASURE

BY CONGRESS,

FITTED TO CREATE

GENERAL AND PERMANENT CONFIDENCE IN THE UNITED STATES.

A SPEEDY AND EFFECTUAL MEANS OF

RE-BUILDING CHICAGO

AND AFFORDING IMMEDIATE ASSISTANCE TO

THE OTHER FIRE LOCALITIES.

"He that hath not usurped the name of man,
Does all, and deems too little, all he can,
To assuage the throbbings of the festered part,
And staunch the bleedings of the broken heart."

HAMILTON, ONT:
Spectator Steam Printing House, Corner of James and Main Streets.
1871.

Remarks, Introductory and Explanatory.

The object of this Brochure is to suggest, to the minds of Americans, the consideration of a mode of immediately rebuilding Chicago, and giving relief to the other localities distressed by the recent calamitous fires—a mode which would cost the United States nothing, but which, on the contrary, would confer on the whole country and its Industry and Revenue the greatest and most lasting benefit.

The writer's view (as originally communicated to an American friend in a conversation) is, that the present occasion should be availed of *to attain and secure permanent confidence*, in the money matters of the United States, both at home and abroad, the *absence of which is one of the chief aggravations of the distress in Chicago and other places.*

This, he thinks, could easily be attained by a certain course in monetary legislation, which would be the permanent, as well as present, interest of the whole country, and of every section of the American people.

Firstly—He thinks that there should be some public expression of the determination, of the people of the United States, to retain, for the benefit of themselves and their posterity, the magnificent system of paper money, which the necessities of the war has secured to their country—comprehending, as it does, not only a vast increase of the *Instrument of payment*, but the only possible security against any recurrence of the periodical overthrows of the money market, which necessarily are the fruit of a *hard money system.*

Secondly—He thinks that to enable the people to continue to pay their enormous taxes, a still farther issue of the Instrument of payment (probably confined to the amount of one year's taxation), is loudly called for by the circumstances—the weight of taxation being well nigh unbearable, even with the incalculable assistance of a paper money system, and being such as could not have been borne for one year, under the old system of hard money and contracted currency

He thinks that the new issue of Greenbacks referred to (or as much of it as is necessary), should be directly laid out, in giving assistance for the rebuilding of Chicago, and for *saving the sufferers in this and other devastated localities;* and that, even if the wisdom of Congress should not decide on going so far as *direct* assistance, there would be very substantial alleviation to the distress in Chicago and the other places, by a general restoration of confidence, and by a general increased issue of the Instrument of payment, or even by one of these blessings, being secured to the country.

The long explanations (no doubt too long for the general reader), about the present and past cruel experience of England, are gone into, to show the utter folly of America attempting a hard money system, if even England (with all the world owing her money, which is continually returning to redress her money market) has scarcely been able to bear up under it, and could not have continued so long to do this, except for the providential discoveries of gold in California and Australia. Every one should know, that, either in her monetary or industrial principles, England is the last country from which to take an example. England, in a word, is in the awkward position of the fox, who, having unfortunately lost his tail in a trap, tried to make the want of tails fashionable!

It was in the spirit of the lines which form the motto of the Title page, that the following explanations were made, and are now published under the feeling that if the suggestion does no good, it can do no harm. They are jottings by an American of a conversation he had in Canada, which he sent to the other party to the conversation, to be made more full and explanatory. The parties to the conversation felt a mutual regret (the business of both making them intimate with public financial subjects) that there should exist so unfortunate a state of the money market, both of England and America, at a time of such calamity; and they had no difficulty in agreeing that the root of all financial paralysis is to be found in the unpatriotic monetary legislation of England, and that a general, or world's cure can only be had by the alteration of the principle of that English legislation.

What can be done towards a remedy within the power of the United States themselves, was then discussed, and the result is given in this Brochure. It may seem unnecessary that such lengthened explanation should be given with regard to English monetary principles, and the nature of the money market in England; but (even if it were well to leave out that essential part of the conversation) they who are most fully alive to the important and perpetual influence exerted by these on the United States, will see that the explanation is necessary to the understanding of the unspeakable object of the United States throwing off this degrading dependance on England, to the greatest extent they can. And the vital question of the moment is—CAN THIS BE DONE NOW? In which case not only would the general object of public financial confidence be obtained, but the greatest local objects of benevolence might be secured by applying the additional issue of Greenbacks in the promotion of the immediate re-building of Chicago, and in the alleviation of the ruin and misery caused by the late great fires in the United States.

There is here no attempt to go into the legislative measures required, or to do more than furnish reasons which may lead the public mind to so seasonable a subject. This grand object attained, there would be no doubt of an immediate and happy result. When people come to realize the fact that the present Taxation of the United States is well nigh unbearable, and is a frightful evil, even though the industry of the country could continue to stagger under it, they will not think it a waste of time to listen to any suggestion that would promise to ameliorate such a state of things. And when people open their eyes to the truth, that in a safe, judicious and *definite* extension of the issue of Legal Tender Paper Money (*such an extension as would cause the fall, not the rise, of gold*), a vast amelioration to the American tax-payer can be found, it being obvious that Taxation is a burden just in the proportion it bears to the Instrument of payment in circulation, they will be but too thankful to move in favor of such a measure as is desiderated. And, further, when it is discovered that this legislative measure of general alleviation may be made also to serve the purpose of a great local benevolence, at a period of unprecedented calamity, the people will only be anxious to *hasten*, by every possible influence and effort, so splendid a consummation, animated, as they will be, by the same spirit as has dictated the publication of this brochure, and which is so well expressed in the motto on its Title page:

> He that hath not usurped the name of man,
> Does all, and deems too little, all he can,
> To assuage the throbbings of the festered part
> And staunch the bleedings of the broken heart.

SUBSTANCE OF CONVERSATION

ON THE DESIRABLENESS OF

AN ISSUE OF GREENBACKS TO RELIEVE TAXATION.

A DEFINITE THOUGH EXTENTED ISSUE OF GREENBACKS WOULD NOT RAISE, BUT BRING DOWN THE PRICE OF GOLD, WHICH WANT OF CONFIDENCE PUTS UP; AND MIGHT SUIT A DOUBLE PURPOSE IN BEING USED TO REBUILD CHICAGO, AND TO ALLEVIATE THE MISERY CAUSED BY THE GREAT FIRES.

Mr. B. suggested a definite increase of the circulation of Greenbacks, which might be made to serve a double purpose:—

1st. The enlarged Instrument of payment would enable the Taxation of the United States to be paid.

2nd. The increased amount of Greenbacks might be loaned, on easy terms of repayment, to aid in the rebuilding of Chicago, and re-establishing those whom the other fires have ruined. Even looking to the revenue of the United States, there could be no better, or more profitable policy than this. Indeed, even if there was no need from any other cause, for any general increase of the issue of Greenbacks, any American Government worthy of the name, as being a true representative of the circumstances and interests of America, could not fail to see, that nothing more proper or profitable for the COUNTRY AND ITS REVENUE could be done, than an issue of Legal Tender, sufficient to afford local relief in such clamant cases, as the Chicago calamity, and the other fire losses.

Mr. B. said that, as a looker on, he has seen that there never has been enough of Greenbacks out in the U. S.; and that it would be a great boon to U. S. *now* to issue Greenbacks to the amount of a year's taxation, to enable the people more easily to pay the taxes *under which they are now staggering*, by furnishing the country so increased an amount of the Instrument of payment. Such paper is really quite safe, for, *while other paper or bank notes are evidences of what the promiser owes the holder, "Taxation Notes" would be the evidence of what the holder owes to the issuer.* He further added that the unqualified abuse heaped on inconvertible paper is very absurd—for a thing that will pay a debt, is surely convertible into nine-tenths of that for which money is wanted.

WHY CANNOT THIS GREAT MONETARY REFORM AND ITS CONCOMITANT BENEVOLENCES BE ACCOMPLISHED?

No person in the United States, of any intelligence and intimate knowledge of the circumstances of America, can be ignorant of the obvious fact, that a *well defined* increase in the issue of legal tender paper could by possibility do no harm, at the present moment, and must be the greatest benefit to all the legitimate interests of the country. Why then cannot this be accomplished? The accomplishment, said Mr. B., is prevented in the same simple way as the hard money and free trade heresies are perpetuated in England. It is the interest of the influential few—of the illegitimate, or alien, or foreign interests of the country (among which class legislation has unpatriotically made MONEY to be included)—*to make money, the article they deal in, scarce and therefore dear, instead of plentiful and therefore cheap.*

AN UNFAILING WAY FOR THE PEOPLE, AS WELL AS INDIVIDUALS, TO FIND OUT THE RIGHT DECISION FOR THEIR OWN INTEREST.

But in neither country could this foreign trade and hard money *iniquity* be much longer upheld, if the people would look at these vital matters in the following, simple way. *Let the people find out what their opponents or enemies wish them to do, and do the contrary.* And it is clear, that as the alien, or artificial, or illegitimate classes in England wish the people's decision to be in favor of perpetuating their cruel hard money system, and against the simple remedy required by the industry of England—the making bank of England notes a legal tender to the extent she holds gold—the legislature, of course, compelling her never to hold less than a given amount, sufficient for the trade of the country; so the alien classes in America wish the people's decision to be in favor of a return to specie payments, with THE CONSEQUENT CONTRACTION OF THE INSTRUMENT OF PAYMENT and the riveting on the country a monopoly of money, and against increasing the issue of legal tender money, or even allowing the amount of issue to continue as large as it now is.

THE PERPETUALLY UNSETTLED AND FEVERISH POSITION OF MONEY MATTERS IN THE UNITED STATES.

Mr. B.'s view is that more than nine-tenths of the evils in the United States are, like in England, directly caused by the existing Legislation. This Legislation, or its spirit, the United States (until the necessities of the war forced *a sound principle of money* upon them) have either inherited, or thoughtlessly borrowed from England, which ignorantly legislates only for her Foreign Import Trade, although that is only a very small percentage of the Trade of the country. The alleviations of the state of things in United States, are as follows:—

1st. America's independent and patriotic Tariff Legislation.

2nd. The Legal Tender Paper Money, forced on the United States by the civil war, and *which, they must perpetuate, if they would save their national industry from destruction, and preserve their property becoming unsaleable and comparatively valueless.*

3rd. The great capital and increasing population each year received by immigration into the United States.

4th. The foreign loans, by the public and individuals, which are a present relief, though eventually a terrible evil.

The imposition of gold duties, which means simply *a running of the people for gold, by a Government, to wish itself had stopped specie payment*—was a dreadful mistake; and this, and not the amount of the issue of greenbacks,* was the cause of gold appreciating so absurdly; but, as this was followed by the still greater mistake, *as one more hard to remedy*, of promising to pay interest in gold, there might be more harm than good, from opening up this question at present, when there is something more momentarily important to do in *getting general monetary confidence restored, thus removing whatever obstructions are in the way of the restoration of Chicago and its business.*

Mr. B. says that the perpetually unsettled and feverish position of American money matters, arises from the perpetual dread of some ignorant attempt (for it would be ignorance personified, and for which *no punishment* would be too great) to precipitate *a return to specie payment.* This cured, he says, the United States financially are on a rock; for under a paper money system no crisis caused by foreign trade can occur—an incalculable national advantage, which (like everything practical) England spurns.

THE CURE OF THE FOREGOING.

Mr. B. thinks that a cure would be effected by the simple declaration of the President, that financially the United States are on a rock from their superabundant resources, as well as from the fact that *monetary crises are caused by the foreign trade, which, under a paper money system, has no power to derange the money matters of a country so much as to amount to a crisis;* and that any slight or apparent reluctance in trade, or absence of confidence in the money market, had arisen from the *premature discussion* of a return to specie payments; so that in consequence, he (the President) felt it his duty to discontenance the discussion of that subject, till the Government publicly intimates its being *in a position to meet its notes in full with gold;* as after all—the important question—which kind of money or legal tender is for the best interest of the country—must be carefully considered, even after the government is financially prepared for any course which public opinion may choose—the Government having no interest or wish in this matter apart from the interest of the Country's industry, and great internal interests—the interest, in a word, of the people of the United States alone, without reference to those of any other country, or to any abstract theories, of political economy, —every backwoodsman in America being, for his own purpose, and that of the country, a better political economist than John Stuart Mill, in the proportion that experience is better than inexperience, and that he knows, by experience, that the greater the issue of safe money that can be made, the better will be the market for his produce, as also, that the greatest amount of circulation cannot be enjoyed by the country, unless the legal tender is local, or not capable of being removed out of the country, to pay debts abroad, as before the war.—the failure of writers on political economy having been, that they have omitted the money element of the question in their consideration, and have made their political economy to usurp the place of a social economy, which takes the circumstances of each country into account—English political economy thus being the cause of incalculable misery in the world.

THE UNITED STATES MUST NEVER RETURN TO SPECIE PAYMENTS.

Mr. B. says that, even if able, the United States must never return to Specie payments. If it would not be misunderstood, the government should say, that it would go on putting a $5 Gold piece behind every $5 Greenback issued—and when prepared to pay off all its greenbacks—*giving each holder of greenbacks the same choice*—the question of Gold Money, or Paper Money should be discussed from that *vantage ground*. The people could then very easily be shown their advantage in keeping out the Paper Money, for if *the Gold Money was put out, half, or much more of it, would immediately be exported*, and, the basis once

* When at the Crimean war, *wheat* appreciated 100 per cent, it was not then held that the *gold* money had depreciated.

lessened, the superstructure of confidence and credit would necessarily tumble down proportionally; and distress in the U. S. would be seen, such as the world never before witnessed in any country. Mr. B. says that humanity itself cries out against *hard money in a country*, unless as the least of evils, and unless a people can do no better than be *buyers of gold with their labor*—as they thus get the greatest possible disadvantage in the exchange—gold being the scarcest and dearest commodity in the world, measured in the poor man's time or labor.

Even if gold should go down to, or under par in price (of which there seems no chance, except from increased production of gold within the United States), paper should still remain the legal tender; for if America returns to specie payments, it will be as difficult, or impossible, to get things back to where they are now, as to get England to adopt what America now enjoys, even if satisfied that this would be the interest of her working masses. The clause of the constitution, which has been held as requiring specie, would be pleaded, as of old; and no remedy would be carried till distress became so great, that humanity would demand that piece of ignorance to be removed from the constitution, or that the words be read differently. Twenty years before the necessities of the civil war forced paper money on the United States, Mr. B., being in New York, pointed out to a friend, that it was a fearful bondage to the industry of the country to be *saddled, through England's example, with hard money*, and he drew out the following paper, embodying his recommendation, which was published at the time:—

"*The immediate necessity of a Radical Reconsideration of what is to constitute the money, or legal tender of the United States, arises from the increasing quantity of gold from California; but there is also an urgent call for it, to prevent all the internal or native interests of the country continuing to be the mere football of the foreign trade.*

"Let it be observed, that I draw the distinction between paper money and paper currency; thus—paper made a legal tender, or which you are bound to receive in liquidation of a debt, I call MONEY; and paper issued by banks, or private individuals, which you may or may not receive, I call CURRENCY. The use of paper money is as a standard for the currency, and, of *money*, a very small amount will do, where banking exists in a full and healthy proportion to the wants of the community.

"In the United States, the reformation necessary is, that we construe the clause of the constitution of the United States (if it requires the legal tender to be *metallic*) to mean "secured by the precious metals, or *not credit paper as during the Revolution.*"

"We must, in fact, retain gold as a *security* but not as a *standard* of the currency; or, in other words, our five-dollar note must mean five dollars' worth of gold—not a quarter of an ounce, or any *certain weight* of gold. The best way to effect this is, to let the sub-Treasury issue no more precious metal till there is a given sum—say sixty millions—in its vaults, but issue in its stead *evidences of the deposit* of those precious metals, which would form a paper, or emblematic legal tender, that could not depreciate from insecurity; AND THAN THIS (*INSECURITY*), THERE IS NO OTHER CAUSE OF MONEY DEPRECIATING, OTHER THINGS, THAT ARE CALLED DEPRECIATION, BEING ONLY THE *APPRECIATION* OF GOLD OR OTHER COMMODITIES.

"The necessity of such a measure in the view of increasing stocks of gold, is self-evident, and there is much more urgent call for the reformation of our money, as the only means of disenthralling American home trade and industry, from the malign influence of foreign trade, under which those are made (by our money law) to suffer equally, as in England, from our following England in her monetary legislation. Nothing but the vast sums of money, brought into the country by immigrants each year, keeps the currency right, and prevents the loss of all confidence in business, or the downfall of all banking and credit. When the foreign traders choose to over-import, the loss would only be to themselves, by my plan; but, at present, all classes are made to suffer, and often to be overwhelmed, by this folly of the importers of goods—a thing beyond their control. Whenever undue imports occur, the precious metals become in demand for export, to balance our trade with foreign countries; but, it is found by our money law we have violated the "law of supply and demand" as respects gold and silver coin, and away goes our money to vivify the industries of other countries, because these are commodities which are kept down *in price*, even when they rise *in value*, in consequence of increasing demand as a *commodity*. The foreigner has thus the advantage of us, as to him gold and silver are commodities, while to the home trade they are only *money*. And, even when gold and silver are not taken in any great quantity, this is only prevented, by the most cruel reduction of prices, in every branch of native industry and American stocks; for, under our present insane system, high prices cannot exist, without necessarily producing distress or low prices—thus, a foreigner, this month, brings goods to New York, and sells them, say, for two eagles, or twenty dollars; or otherwise, an ounce of gold. This gold he might carry out of the country, but because he finds American trade in a dull state, and

prices very low, he takes away something of American growth, leaving the money to revive American trade; he takes, say 200 lbs. of cotton at 10c.—20 dols.; but three months hence he may come with a similar lot of goods, and for them get 2½ eagles, or 25 dols., because of a revival of the trade of the country; there is then, however, a general prosperity, or rise in price, so the foreigner finds he can get no more cotton, although he gets 20 per cent more gold; he finds that he can only get 200 lbs. of cotton, because the price is now 12½c; the cotton, in a word, has risen in price—the gold in quantity! So the foreigner takes the gold, and every interest in the country is ruined, because, in receiving what to him is only a *commodity*, he removes what to us is, by law, *money*, the legal life's-blood of the trade; cotton and every other commodity falls to a level with this profitless, or untaxed article, or *foreign raw material*, gold, to prevent it its leaving the country—thus increasing the paralysis which its exit has introduced into all stocks, and into every department of American industry however disconnected with foreign trade"

"The value and *price* of gold would be made equivalent terms, as they ought to be, and as they are with all other exportable commodities. By this means, and by this means alone, can the foreign merchant and money-monger be brought to feel themselves in the same boat with American Industry, for THEY will become (under the law now proposed as a monetary reformation) interested in pushing our exports, and limiting our imports (*the greatest national economy*)—as thus alone can the precious metals be brought down in value, and their paper-money made to stand for more gold and more commodities."

The same principle was, about the same time, advocated by Mr. B. in England, as follows. The only immediate change he would make upon the *Money* (Bill of 1819) to render England independent of the effects of "a foreign trade drawing specie," is the same as would become at once imperative in case of a foreign war. He would make Bank of England notes a legal tender, to the extent of the Government indebtedness, fourteen millions, and the amount of specie in its vaults, all banks issuing one pound notes—thus *enabling gold to go to a premium when in demand, instead of acting, by its low price, in preventing prices of British commodities from rising to profitable prices.* And the only alteration, imperatively demanded on England's Banking (Bill of 1844), Mr. B. says, is to do away with the *monopoly* of the present banks, throwing the issue of bank notes open to all, under the same restriction (the same issue in proportion to their paid up capital) He shows that it is vital for the interest of England, that she prevent any tampering with her MONEY, or reducing of her fixed price of gold, and that she should, now that gold is increasing in the world, retain her present Law (of 1819), unless she attains A NATIONAL AND PERMANENT SYSTEM OF PAPER OR EMBLEMATIC MONEY, SUCH AS HE RECOMMENDED TO THE AMERICANS IN THE FOREGOING PAPER

To get quit, for the present at all events, of all idea of a return to a hard money system, is, no doubt, the true and general interest of the United States, while it is the only way to get, without delay, that *money relief to the sufferers in Chicago and the other localities devastated by fire*, which could easily be extended to them; and, with no fear of his motive, at such a time, being misunderstood, the writer would urge *the solemn consideration* of this great point, using the language he employed on a former occasion in Canada, when pressing the anxious consideration of what ought to be recognized, before it was too late, looking to the integrity of the Empire, to be the FIRST QUESTION IN THE POLITICS OF EVERY PEOPLE—his argument being that Canada could not be expected to remain a *colony*, unless it had all the advantages of a *country*

"The clearest way for us to judge of a great principle, is to remember that our children are to be blessed or blighted by it. In this way, we shall generally form a correct judgment, and see our path of duty to interfere, when otherwise we would not see it. Take Religion, for instance—looking to oneself, we are ashamed to say that it is comparatively the only thing of any value, and which is alone really worthy of engrossing our thoughts; but, looking to the vital consideration *that the decision is for our children*, we at once get quit of our false shame. So is it with that question in Patriotic or Social Economy, which is the only thing of comparative importance, *the employment of our own people* To avoid the recognition of this, we find to be death, not to ourselves only, but *to our children*. For them, therefore, we protest against the attempt to put to one side this, the first rational consideration—the only one which is really worthy of engrossing the attention of Parliament—the other questions of politics being mere, comparatively, insignificant details—generally more ornamental than useful. Let us, if we dare, decide against this being *the question of question*—but until we do so, let us admit it to be the first question in the politics of every colony, (independently of the consideration of any any other part of the empire,) as well as of every country, and keep it perpetually in view."

In England, the reform of the money

law is perhaps all the population needs, to prevent things going to extremes. There the question of money, and the question of labour are one question, so far, that the solution of the one is the solution of the other—plentiful and cheap money being convertible terms for increased employment and higher wages, and scarce and dear money, for deficient employment and low wages. In America, paper, or emblematic money is also a necessity, to save the industry and all the home interests of the country; but, to sustain the population, in their superiority over the wages of Europe, a Tariff, no doubt, also is required, though it may be a more moderate one if the country has also the advantage of *paper money of the continuance of which there is no question*

Mr. B. expressed his surprise that intelligent Democrats should not have their eyes open to the nature and evils of free trade and hard money. They, of all men, should be advocates for paper money, because it is only with an emblematic money, that free trade can be really free trade. To have *bona fide* free trade, the foreign imports must get paid in *a paper order for some other article, at its market price, whether gold or anything else.* You cannot give the importer gold at a fixed price, and which can be exported as a commodity, otherwise there is no reciprocity, besides the evil from the exportation of the currency—the country's life blood!

He feels so strongly how great would be the *insanity*, in the circumstances of the United States, of a return to specie payments, that to express his conviction in language would be impossible; for his experience tells him that it would be an infinite, (not a definite or temporary) source of evil, to the whole industry of the country. The adoption (said he) of so destructive an ever-living and operating *principle* as hard money, and its *necessary concomitant, a contracted circulation*, would be an infinite evil to America—an evil infinitely greater than any possible definite and remediable loss—infinitely greater than if all her cities in one night, were to share the fate of Chicago; for even such a calamity could easily and soon be remedied, by the means which he now points out for the rebuilding of Chicago. In a word, the country by a return to a contracted and *fluctuating* currency, would, in a few years, have entailed on it all the disadvantages of the old country, without any of its advantages

THE SHIFTING SAND FOUNDATION OF THE ENGLISH MONEY MARKET—A GREAT CAUSE OF THE PRESENT INCREASED CONFUSION IN THE UNITED STATES MONEY MARKET

England financially has not had the wisdom to build her house upon a rock, but has recklessly built it on a shifting sand foundation; and, from this cause, she is the perpetual dread of herself and of the world. But, blighting as her effect on the American money market is at this moment, the injury to the United States would have been a thousand times more had they still *enjoyed*, as the bullionist's phrase is, A HARD MONEY SYSTEM. In the conversation, the jottings of which are contained in this brochure, the subject of the unsatisfactory position of the money markets, both in England and America, had been introduced, by the fact of the cable showing that the Bank of England had, last week, lost Twelve Hundred Thousand Pounds Sterling, after former drains had caused her to *raise the price of money to more than double in about a month!* What a monstrous thing (said Mr. B.) that the people's money—that which Parliament (using the machinery of the Bank of England) has devoted to be the basis of the country's circulation, and indeed of all confidence and credit—should be liable to be thus arbitrarily snatched away by causes which the people can neither foresee nor control—all this arising *from making gold and confidence synonimes*, without protecting from exportation that part of the gold, which Parliament had devoted to the internal currency and trade of England. John Bull, in a word, makes gold and confidence synonimes, regardless of the fact that he thus makes *the exportation of gold, the exportation of confidence!* This and England's stupid irreciprocal Free Trade, if carried far enough, must therefore lead to *a Revolution, caused by her monetary and industrial legislation*, without any disloyalty to the Crown. In the meantime, however, the moneyed classes, through whose heartless conspiracy* the law exists, insanely rejoice

*The term "*conspiracy*" may seem to some a harsh one; but such persons cannot know anything of the history and dark doings of the Shylock class, who established the Bullion Committee of the British Parliament of 1810 (labour having little or no representation there), whose whole object was to *manage a return to specie payments*, even in the unsettled state of the Continent of Europe, as this was the only means *to make money scarce and dear*, and thus to cheapen the price of labour and the commodities which were the proceeds of labor; thus also giving an *increased purchasing power to their own article—money* It took them five years to carry their measure, and then it was only accomplished by their bribing the landed interest, by giving them the infamous Corn Bill of 1815, which put the landlords and their rents on an equality with the money power—their article (wheat) being, by the protection, kept dear, while every thing else was made cheap, by the restoration of hard money, as above explained. This *Corn Bill* therefore was in its inception the most infamous act that ever disgraced a statute book, and was sufficient of itself to justify our characterising the course of its authors, as that of conspirators against the people; even if their cruel principle of hard money had not kept the country in hot water ever since, for their benefit as a class, and if it were not the

in the high price of money. Like sheriffs, lawyers, and doctors, the people's bad times are their good times. They are like the animal in the Desert that thrives upon the east wind which is death to all other animals. *This is England's weak point, which Bismarck sees and which gives him his power in Europe.*

Such men know that through her unpatriotic (unselfish if you will) legislation, there is a growing want of confidence, and process of depletion going on in England All they want is, that she should persist in her combined hard money and free trade heresy, and the battle of Dorking, now a joke, may become no joke. They laugh in their sleeves, and say England has *Bright's Disease*. And, in order to pull the wool over John Bull's eyes, Germany may follow England in her gold currency, well knowing that this may suit (or not be so great an evil to) a country whose trade is protected, and differently placed otherwise from England or America. They see that any welfare in England is in spite of, and not in consequence of her legislation. Indeed they regard her as one regards a fool, with a fine constitution, who cannot be made to believe, that anything he can do will ever pull it down.

Mr B. sees he sees no chance for England, either in satisfying her own working classes, or giving in Ireland the local employment, without which, Ireland cannot be expected to be pacified even gradually—but by finding out the state of the Legislation which affects her industry, and repealing every word of it—enacting the very contrary of *Hard Money* and *Free Imports*—for it is not *bona fide* free trade which England and Ireland have. Their *free importing* is aggravated by their *hard money*, which in turn is rendered unbearable by England's unpatriotic absurdity of *open ports and no reciprocity*.

England's great errors in money and in dustry are two:—the adoption of two false principles, viz., hard money and free imports without reciprocity, not to talk of Peel's measures of 1844 and 1845, which only aggravate the evils flowing from these bad and unpatriotic principles.

Her Legislation being in the hands of the capitalist class, she cruelly returned, after the European war, to hard money, with the view of contracting her currency to the utmost, and thus *crushing down wages and prices of commodities to the utmost.* * Without doing away her gold money, she opened her ports to foreign commodities *untaxed*, in the face of great local taxation, and other disadvantatages weighing on her own people; the great inconsistency of this (beyond the crime,) being that she knew that *a foreign trade drawing specie was as bad, or probably much worse, than a foreign war drawing specie*, against which latter indeed she had provided, by legislation.

But even before the free trade era (1846,) she had (in 1842) begun, so far as legislation was concerned, to *regard herself as a mere world's trading point*, having then degraded the question of the Internal Industry of her people, into *a mere fiscal question of the government*. Peel, in that year, really had found his *second mare's nest*. With all the airs of my Lord Bountiful, he announced to parliament, the great boon to the people that Parliament were prepared to cut the throat of so much of England's industry—that he had *found* that there were eleven hundred articles in the tariff that only yielded the *Government* two millions. These, in that year, were swept from the tariff, without considering the tens of thousands of makers of the smaller and fancy articles, this deprived of employment; and the manufacturing of them was thus practically made a present of, by Sir Robert Peel, to Germany, Belgium, France, &c. THE SETTING UP A GOVERNMENT INTEREST, UPON THE EXCUSE OF REVENUE CONSIDERATION, APART FROM THE INTEREST OF HER PEOPLE, HASBEEN THE RUIN OF ENGLAND'S INDUSTRY.

England's dreadful experience in her *return to hard money* is quite well known and admitted, so that the unaccountable thing is how it is allowed a continued existence. In his "pamphlet on corn and currency" so long back as 1827, Sir James Graham wrote as follows:—

"The fact is that the price not only of corn, but of commodities generally, began to fall in 1819, and gradually settled down *in proportion to the contraction of the currency*, until the year 1822. * * * The bitter fruit of the system was tested by all classes—I am in error when I say by all; for amidst the ruin of the farmer and the manufacturer, the distress of landlords, and the insurrection of a populace without bread and without employment, one class flourished and was triumphant; the annuitant and the tax-eater rejoiced in the increased value of money—in the sacrifice of productive industry to unproductive wealth—in the victory of the drones over the bees."

Often has the public peace been secured, by suspending the operations of Peel's short-sighted principle, and, as this all-important fact has never been so well brought forward as by my James Graham, we prefer again using the words of his excellent pamphlet:—

"They (Peel's colleagues) knew that it was intolerable; they were merciful; they were disinterested; regardless of the increased value of their own salaries, they felt for the debtors, the tax-payers—the great body of the people; and preferred their interests to the profits of the creditors, the tax eaters, 'the blood suckers' of Lord Chatham. They thought wholesome food and constant employment better for the people than wholesome currency and hunger, amidst landlords without rents, and manufacturers without profits. They turned aside, therefore, from the 'stern path of duty;' they relented for a time, and renewed the Bank Restriction Act; with an increase of the circulating medium, prosperity returned. I cannot fail also to remark the immense sum added to the debt during the period of the great depreciation of the currency; according to the ancient standard, which was then suspended, we generally borrowed about 15s in the pound; and with our return to that standard we are now required to pay the entire 20s. The letter of the bond, and the pound of flesh, are claimed by the creditor"

But why should we appeal beyond the, great historical fact, that, in 1822, shortly after the publication of Mr. John Taylor's first work, entitled, "The Restoration of National Prosperity, showing it to be immediately practicable," Lord Castlereagh brought in a bill deferring the abolition of one pound notes until the expiration of the

Bank Charter of 1833. Let it be particularly observed, that what we complain of, in Sir R. Peel's money law, is that, under it, the industry of the poor, the more it is exerted, only the more enriches the rich, as giving them commodities cheaper, or otherwise making their money worth more of the laborer's time than formerly. We have the anomalous spectacle of the increase of pauperism, being the result of increased industry of production. The nation, in fact (or at least its masses or industrious classes), is in the situation of an individual who would be sure to become more dependent, the more superhuman his efforts—through industry and economy, and temperance, perseverance, and genius—at independence (if we could suppose this possible); yet the combination of qualities, in the individual, here supposed, are no greater than those which England's industry may truly boast of. We may be asked, how does Peel's act of 1819 cause this horrid state of things? We answer—By unduly *contracting the circulating medium*, and by directly causing, as well as *permitting*, the payments to the foreign trade, and foreign loans taken up in London, to be the means of *creating fluctuations in the quantity of the internal circulation of paper*.

"Every man, of any degree of authority," (to continue our quotations from Sir James Graham), "has admitted it distinctly that he under-rated, in 1819, the pressure which the return to the ancient standard would occasion; and so little was the effect of Mr. Peel's Bill understood, that in the very session of Parliament in which it passed, three millions of new taxes were imposed, although 10 per cent. was admitted by Mr. Richards to have been added to the previous burden; and experience has since demonstrated that the real addition approached much nearer to 40 per cent. And shall the landowners of this United Kingdom tamely acquiesce in the operation of a measure, the nature of which was *not understood even by those who advocated it*, but the effect of which proved more burthensome than its supporters contemplated, or the nation can bear? Let me entreat them to depart from their usual course of awaiting the event; a great and immediate effort is necessary to burst the cord now drawn so tight around them; if they hesitate, they will be entangled in such complicated difficulties, that resistance and escape will soon be alike impossible. Mr. Peel's Bill never would have passed if these effects had been foreseen."

We may cite the evidence of a hard money man, the great free trader—COBDEN—some years before the Free Trade era, and thus before the hard money legislation had been aggravated by irreciprocal Free Trade legislation

Richard Cobden, (in 1840,) makes the fol-

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cause of its being in *hot water at this moment as it no doubt is.*

*The word "cruel" is in the foregoing used to characterise the monetary principle of England, and, the fact is, that the truth cannot be told without the use of such hard terms. And Mr. B. stated his firm conviction that more misery has been caused by it, to the people in general, and to all countries who have trade with England, than was produced by all her wars and troubles of the present century, great though these have been. Years ago, he publicly expressed this as follows: "Peel's principle of money involves British subjects in all the distresses (without giving them the advantage of any of the blessings) of every country in the world. As a destroying angel or agent, it is like death, when it suddenly strikes down the young and beautiful and brave, in the full and vigorous possession of every faculty and every promise. * * * That which we have long seen to be a great and self-evident truth, seems now about to become a national conviction—that under British principles of money, or monetary law, it is an utter impossibility for any country to have any continuance of prosperity; because our prosperity necessarily and immediately is the cause of adversity. Prosperity, or *more bidders for our country's labour*, leads to higher wages, and, as a natural consequence, higher prices of British commodities. The foreigner then finds it cheaper for him to buy gold for exportation, this one commodity being *prevented by law* from rising in *price*; and the hopes of the working classes are immediately dashed to the ground, under the double effect of lessened demand for their labour, and of the paralysis introduced into the money market, through the actual or threatened export of gold. The great error of our legislation is this seen to be that gold, while only a money or *counter* to our own or home trade, can be used as an *exportable commodity*, by the foreign trade, and is practically so used, the moment the price of our own productions rise above *the lowest raw material prices*. Protection to the money and the currency of this country, which are *the spinal marrow and life's blood of every British interest*, is therefore now loudly demanded; all parties seeing clearly the vital and immediate necessity of such an infusion of patriotism (or patriotic self-fishness) into our money ary legislation, as will secure just protection to British labour, as well as to enable Free Trade to be carried out to the greatest practical extent—to an extent that does not lead to the reduction of our *national employment.*

lowing impressive statement before a committee of Parliament: — "I could adduce a fact, derived from my own experience, that would illustrate the heavy losses to which manufacturers were exposed in their operations, by those *fluctuations* (in 1837) *in the value of money*. I am a calico printer; I purchase the cloth, which is my raw material, in the market; and have usually in war house three or four month's supply of material. I must necessarily proceed in my operations, whatever change there may be—whether a rise or fall in the market. I employ 600 hands; and those hands must be employed. I have fixed machinery and capital, which *must* also be kept going; and therefore, whatever the prospects of a rise or fall in prices may be, I am constantly obliged to be purchasing the material, and contracting for the material on which I operate. In 1837 I lost by my stock in hand £20,000, as compared with the stock-taking in 1835, 1836, and 1838; the average of those three years, when compared with 1837 shows that I lost £20,000 by my business in 1837; and what I wish to add is, that the whole of this loss arose from the depreciation in the value of my stock. My business was as prosperous, we stood as high as printers as we did previously; our business since that has been as good, and there was no other cause for the losses I then sustained, but the depreciation of the value of the articles in warehouse in my hands. What I wish particularly to show is, the defenceless condition in which we manufacturers are placed, and how completely we are at the mercy of these unnatural fluctuations."* Although I was aware that the losses were coming, it was impossible that I could do otherwise than proceed forward—with the certainty of suffering a loss on the stock; to stop the work of 600 hands, and fail to supply our customers would have been altogether ruinous; that is a fact drawn from my own experience. I wish to point to another example of a most striking kind, showing the effect of these fluctuations on merchants. I hold in my hand a list of 36 articles, which were imported in 1837, by the house of Butterworth and Brooks, Manchester, a house very well known; Mr. Brookes is now borough-reeve of Manchester. Here is a list of 36 articles imported in the year 1837, in the regular way of business, and opposite each article there is a rate of loss upon it as it arrived, and as it was sold. The average loss is 37½ per cent on those 36 articles, and they were imported from Canton, Trieste, Bombay, Bahia, Alexandria, Lima, and in fact all the intermediate places almost. This, I presume, is a fair guide, to show the losses which other merchants have incurred or similar articles."

* These *fluctuations* were quite natural, so far that they were the necessary result of Hard Money.

Much more recently the London *Times* has admitted the same thing in these sad words:

"For a whole generation (said the *Times*) *man has been a drug* in this country. It has scarcely entered into the heads of Economists, that they would ever have to deal with a deficiency of labor. The inexhaustible Irish supply has kept down the price of English labor, whether in the field, the factory, the army, or the navy; whether at the sickle, the spade, the hod, or the desk. We believe that, for fifty years at least, *labor, taking its quality into account, has been cheaper in this country than in any part of Europe*; and this cheapness of labor has contributed vastly to the improvement and power of the country—to the success of all mercantile pursuits, and to the enjoyment of those who have money to spend. *This same cheapness has placed the laboring classes most effectually under the hand of money and the heel of power.*"

And still more recently we have the following admissions from Blackwood's Edinburgh Magazine:—

"The merchant and the manufacturer, the shop-keeper and the day-laborer, alike find their trade stopped and their gains swept away. Suffering and want spread over the land, as if there were a famine. There is a paralysis of trade, a dearth of employment; and the hard times are felt by the mill-worker and brick-layer, not less than by the magnates of the trading and commercial world. Is there not something wrong here? Ought the presence or absence of a few millions of gold to make the difference between national prosperity on the one hand, and national disaster and wide-spread suffering on the other? How will Posterity speak of us when it sees that we made the huge fabric of our National Industry stand like an inverted Pyramid, resting on a Narrow Apex formed of a Chamberful of yellow Dross? Will they not laugh at our folly, our barbarism? When the usual supply of gold is temporarily diminished, why should our usual credit system be restricted in proportion, or totally suspended? Of what use is credit but to take the place of payment in coin? Was it not for this purpose, and for this alone that credit and paper money were adopted? Why then not make use of our credit system as a means of compensating the temporary absence of gold? Why not tide over the difficulty instead of aggravating it? and so avoid the tremendous sufferings which are ever recurrent under our present system of monetary legislation. Suffering thousands and starving myriads signalise each great monetary crisis. Even during the last year, though the crisis of evil has been escaped, the usurious bank rate of 9 or 10 per cent., has swept away the profits of trade, into the pockets of bankers and capitalists. Parliament inflicts misery upon the country out of an antiquated deference to some bits of yellow dross. Is this wisdom? Is it humanity? Is it civilization? It is barbarism and folly, preached up by the moneyed interest, the high priests of mammon, at the expense of the community."

"But let the Free Traders be of good cheer—they have done marvellous things.—They have accomplished what no British statesmen, since the days of Alfred, have been able to effect. They have stopped the growth of our population, and, for the first time for four centuries, rendered it retrograde. They have sent from two hundred and fifty to three hundred thousand people yearly out of the country, for three years, in search of food. *They have lowered the Irish circulation of notes a half.* They have, with one blow, swamped the Poor Law Amendment Act in England, and rendered rates higher, even with prices extremely low, than they ever were in English history. They have extirpated 200,000 cultivators in Ireland. They have cut £80,000,000 a-year off from the remuneration of cultivation, and the encouragement of the home market, to our manufactures in Great Britain. They have lowered railway property more than a half. They have destroyed, at least, a half of the whole commercial and trading wealth of the manufacturing towns. They have made the nation dependant, in two years, for a fourth of its subsistence on foreign states. They have rendered the maintenance of the national independence, if the present system is persisted in, impossible. They have destroyed £100,000,000 worth of property in the West Indies. They have sown the seeds of revolt in Canada, and rendered its separation, at no distant period, from Great Britain a matter of certainty. They have repealed the Navigation Laws, and thereby cut off the right arm of our naval strength. They are fast laying the seeds of dismemberment in our colonial empire. They will soon reduce, if unchecked in their career, the immense empire of England, to two islands, oppressed with taxes, eaten up by paupers, importing a third of their annual subsistence from foreign states, brought in in foreign bottoms. These are the effects of Free Trade at its Zenith.—What will they be at its Nadir?"

Mr. B's view was that the fact that more than 50 years (since 1819) have passed away, *with such admissions from the highest quarters remaining uncontradicted*, and yet no remedy, shows clearly that money has become sole master in England, and that any remedy, from that quarter, is not to be expected in the least, or except under fear of a Revolution, when the suffering people come, not unnaturally, to propose that *the Institutions of the country should be judged of by their fruits.*

Warned by the experience and position of England, the United States should hold on to paper money as the most valuable inheritance of their industry—if not as an indispensible of national existence, as paper money will be seen to be before long.

America, in regard to money, should have the wisdom not to build her house on a shifting foundation as England has done, but on the rock of her present paper money coupled with the pledge that the *security* (though not the standard) of gold will be put behind it so soon as this can be done with a due regard to the country's creditors.* Looking to how much of the old colonial prejudice still clings insensibly to the United States, and looking to the immense power which England exerts on this side the Atlantic, to keep up, *for the benefit of the few*, this hard money delusion, it would have been nearly equally hopeless, before the war, to have revolutionized (for it is not in degree, but in essence, or principle, that the measure is wrong) the money law in America; especially as, from the apparently ever flowing prosperity of the United States (though more apparent than real), and from the population being too busy to think much of abstract principles, little, or no attention, was paid, previous to the war, to the subject of money; although no man on reflection, can fail to see that on the quantity of money entirely depends the prices of a country. Mr B.'s argument therefore is that, from the necessities of the civil war, the United States have received, in their adoption of paper money, a heritage worth more to them than all the blood and treasure sacrificed in that war: and that those who were never before awakened to the *inestimable privilege they have in possession*, will now be so, if they would only ask themselves the vital question, WHERE WOULD CHICAGO AND THE OTHER DISTRESSED LOCALITIES BE, UNDER THE OLD HARD MONEY SYSTEM, OR IF THERE WAS NO MORE CIRCULATION OF MONEY THAN BEFORE THE WAR.

But it is impossible in so brief a space to explain properly this vital point; and, to do all that can be done, there is given in a foot note an explanation of England's suicidal legislation, which Mr. B. made in England more than twenty years ago, and which proves conclusively that, under A HARD MONEY system, even ordinary taxes cannot be recovered, by the producer, in price, much

* Any difference between the paper money and gold could only be the *appreciation* of gold (not the *depreciation* of the paper) if the paper was not in circulation to a greater extent than there was gold in existance, which might be substituted for it, in circulation, if this was not seen to be wrong or unjust to the industry and properly of the country.

LESS, THE PRESENT OVERPOWERING TAXATION OF THE UNITED STATES.* Mr. B. said he referred more particularly to the explanation in note, from desiring especially to draw attention to the last words of the quotation, which show well the case of the United States. As having heavy taxation and a high price of money, *these should have become elements in the price of wages and of all commodities, not excepting gold.* He says that looking to the different value in the United States of *money* the synonime of gold under the hard money law of the United States) compared to the rate of *interest* in Europe, the *value* of gold here was, and therefore the *price* fixed should have been, at least 15 per cent higher (or about the present price of gold in the United States) than the par ignorantly adopted in the United States, thus giving a rate of exchange on England of 25 per cent. instead of 9½. The effect of this incorrect valuation of the gold has been to prevent the taxes and high prices of money being added, to the extent these should have been, to American prices; and, in whole or in part, the taxation had, under the hard money system in the United States become, what it now is in England, practically *a deduction from wages*, instead of *an addition to price*; seeing that commodities could not rise without leaving gold, which was not allowed to rise in price, *the cheapest article of export*. Taxation must be either an addition to price (as humanity demands it should be), or a deduction from wages. So that, even if so great a misfortune should overtake the Americans, that, in their ignorance, they should return to specie payments (like the dog to his vomit) they should take care to have at least the alleviation of having a proper *price* put on the gold—more nearly approximating to its *value* in America. THE AMERICAN MANUFACTURER WOULD THEN HAVE JUSTICE IN SOME DEGREE, IF NOT ENOUGH. THE FOREIGN MANUFACTURER WOULD HAVE AMONG HIS CHARGES (WHEN SELLING AT THE SAME PRICE AS THE AMERICAN MANUFACTURER) 25 PER CENT. FOR EXCHANGE INSTEAD OF 9½ PER CENT.

* We see clearly that what the trade of the country wants is confidence, which is liable to be infringed in three ways—1st. By the want of perfect convertibility in the local bank notes—the chief object of Sir R. Peel's Bill of 1844 being to secure this, and in which he may, all things considered, be said to have succeeded. 2nd and 3rd. Commercial confidence must also be impossible, either when the bank is actually being drained of gold, as in 1847, or when there is the anticipation of a drain of our precious metals, as at the present; and, as it thus is evident that it is the assured presence of a certain amount of gold that is required, we therefore propose, as above, to prevent the Bank of England parting with any more specie, when its stock gets down to ten millions, [twenty millions would be less in proportion for present day.] It is obvious, that when the foreign exchanges get more against us than this point indicates, the country's industry is unnecessarily sacrificed, and our object is to save the country's industry, even though the money classes should suffer from the absence of bad times, a high rate of discounts, and low prices and wages, which are all only different ways of expressing the same thing, the necessary effect of the Peel principle of money! The remedy for this state of things is, that we make up our minds to retain gold only as the security of our bank note circulation, doing away with gold as a standard of value. THE TRUE PRINCIPLE OF MONETARY SCIENCE IS ONLY ANOTHER WAY OF EXPRESSING THE FULL EMPLOYMENT OF OUR NATIONAL INDUSTRY, FREE FROM THE DISTURBANCE OF ANY FOREIGN, OR EXTERNAL INFLUENCE.

**Should gold continue to come from California and Australia as it has come, so unexpectedly since 1848, the yellow metal may become less valuable to Britain, for the time at least, than British labour, when of course it will be a benefit rather than an injury to export it. But should this flow of gold not continue, and Peel's principle of currency be attempted to be sustained, the most fearful social convulsions, flowing from the want of employment, could not fail to be the result, as above explained. And no less terrible effects would flow from any successful attempt in Parliament to perpetuate the principle of Sir R. Peel's money law of 1819, by so changing its details as to lower our *fixed* price of gold down to the value to which gold may fall abroad; for we deceive ourselves if we suppose the working classes in Britain still remain so ignorant as not to know that the lowering of the price of gold is an equivalent term for raising the purchasing power of money—or, in other words for *lowering the exchangeable value of property, commodities and labor*. The working classes have been taught by long and most cruel experience, that the principle of the money law of 1819 practically denies to British labour the reward which the law of supply and demand would naturally award to it, by leading to the export of gold, which leaves the country's banking facilities and contracts the currency whenever the foreigner prefers taking gold. This he, of course, does, unless the prices of British manufactures approximate in cheapness to that of gold, even although that same foreigner did not import into this country gold, or other commodity sold at the cheap rate, but had availed of a paper or prosperity price for the foreign commodities, in payment of which, the imbecility of our law puts it in his power to take gold at a cheap fixed price. They now see clearly, that *the fact of gold being absurdly fixed, at the same low rate, when it is in the greatest demand, as when it is in the smallest demand for exportation as a commodity*, necessarily fixes down, as a general rule, to the same low, untaxed and profitless standard the remuneration to the producers of British commodities, which have to be sold, *against* gold as a commodity, to foreigners, as well as *into* gold as a money, to our own people, in the same market! Our official and annuitant classes thus participate in the monstrously undue advantages which the Bill of 1819 gives to the foreigner over the British artizan, and this sacrifice of our working classes *operates as a permanent reduction in the price of British products*, by so prostrating the British producer himself, that he ceases to be a consumer of other than the merest necessaries, a large proportion of which being eatables, now are (under our irreciprocal free trade system) the product of foreign labor, in payment of which the foreigner will never take anything but gold, till compelled to do so BY THE PRICE OF GOLD IN THIS COUNTRY BEING AT AN ADVANCE OVER THE RAW MATERIAL PRICE AT WHICH HE GETS IT, UNDER OUR HARD MONEY SYSTEM, WHICH RAW MATERIAL, OR LOW, PRICE PREVENTS OUR OWN PRODUCER BEING ABLE EITHER TO ADD THE AMOUNT OF HIS TAXES, OR A PROFIT, TO THE PRICES OF HIS PRODUCTION.

Concluding Remarks.

Much desultoriness could not fail to characterise what was originally an unsystematic private conversation, especially after there came to be hurriedly superadded more discursive explanations which seemed to the writer fitted to enforce the object in view on some readers. The simple object, of course, is to lead influential minds to the subject of whether assistance to Chicago and the other distressed localities, may not, in the way suggested, be *directly* got, by the use of proper and energetic means. But even if (which would be a great misfortune to the country) this should fail, whether a vast *indirect* alleviation would not be attained by the Government being got to use some immediate effort, to *create more general permanent confidence* in the footing of the money of the United States. The suggestions in the foregoing remarks are:

1st. That Government might, in the most judicious way, relieve the money market and country from any paralysis, which flows from the possibility of specie payments being precipitated, which is no doubt a great aggravation to any existing distress, and the cause of much ruin to the country, and to individuals.

2nd. That the unprecedented distress in so many localities (*even if there was no general reason, which there is,*) and the impossibility of their paying taxes, as well as the great loss to the General Revenue from the continued depression of important localities, are justification for relieving the taxpayers of the country by an increased issue of the instrument of payment.

3rd. That such increased issue of Greenbacks might be lent for the rebuilding of Chicago, and otherwise relieving the distressed localities.

It may be well that the parties to the conversation, here detailed, guard themselves against being supposed to mean any interference with the Banks. On the contrary, they consider the national Bank system as admirable, and only wanting legitimate extension, which an *increase of general confidence* would be sure to give it, especially when the public mind is at rest forever on the subject of specie payments.

The great principle contended for is that MONEY OR GOVERNMENT LEGAL TENDER, should, for the interests of the country's, industry and internal interests, be *emblematic* even if the circumstances of the country could admit of the whole amount of gold being held to represent all the government paper in existence—that, in fact, MONEY SHOULD BE A THING OF OR BELONGING TO A COUNTRY, AND NOT OF OR BELONGING TO THE WORLD; seeing that if it is the latter, it is, *from absence of confidence, as at present*, quite insufficient for the country's ordinary internal purposes, and much more so for being used as an instrument of alleviation for exceptional purposes, such as the present local overwhelming calamities; whereas its being the former, proves that there is NO GOVERNMENT POSITION OR INTEREST APART FROM THE INTEREST OF THE COUNTRY'S INDUSTRY, which should be the first question in the politics of every country, as really of far more practical importance to the people than any constitutional question; and for the promotion of which, indeed, constitutional and all other political questions are a mere machinery.

But it is a sad truth that too much success has attended *the untiring efforts* of those whose interest it is to have a contracted currency, or in other words

to have money scarce and dear. That they whose interest it is to have money scarce, and high in price, should go for a Hard Money System should be the condemnation of it with every thinking man; but a great many men *don't think*—some of these from the idea that their minds are not capable of so great a question as that of Money, although in reality there is nothing more simple than it is; for to every mind it must be clear, that the more money there is in circulation, there will be the more employment, and the greater demand for everything—a result which can only be attained through the instrumentality of paper money. And surely no intelligent or good man can wish to see the contrary, viz: a minimum circulation, a minimum employment, and a minimum demand for every thing,—the natural and necessary result of a Hard Money System; AND THIS MUST BE THE SAD EXPERIENCE OF THE UNITED STATES SHOULD THEY GO BACK TO SPECIE PAYMENTS—the payment of taxes being then utterly impossible;—this however would be a very small evil in comparison, with the TERRIBLE INDIVIDUAL SUFFERINGS THAT SUCH IGNORANCE ON THE PART OF THE GOVERNMENT OR LEGISLATURE, WOULD OCCASION IN THE UNITED STATES.

And if by thus suffering distress (the creature of our own monetary legislation) there was the likelihood or possibility of purchasing exemption from such distress for the future, the suffering might temporarily be submitted to. But (as is explained in a note to page 10) *the perpetual recurrence of adversity is the necessary result of a hard money system.* The least prosperity cannot come without this being the immediate cause of adversity; for prosperity, or more bidders for American labor, leads to higher wages and higher prices of American productions. The foreigner then finds it cheaper for him to buy gold for exportation, this one commodity being *precouted by law* from rising in *price;* and the hopes of the working classes are immediately dashed to the ground, under the double effect of lessened demand for their labour, and of the paralysis introduced into the money market, through the actual or *threatened* export of gold. The great error of hard money legislation is thus seen to be that gold, while only a money or *counter* to our own or home trade, can be used as an *exportable commodity* by the foreign trade, and is practically so used, the moment the prices of our own productions rise above *the lowest raw material prices*; and it is equally clear that under a system of specie payments, the effect of the exportation of gold is no less fatal to the owners of property, stocks, and everything else; so that *protection to the money and currency of the country, which are the spinal marrow and life's blood of every American interest, must be found; and this can only be found by the United States perpetuating their paper money system, which must be improved, as the circumstances of the country give opportunity, by gradually accumulating gold to the amount of the issue of Legal Tender notes.—a thing which will not be so difficult for the United States as many would suppose.*

Nothing can be a more serious and necessary subject for general reflection than the fact, brought out in the preceding argument, that under a hard money system it is an utter impossibility for the United States to have any continuance of prosperity; but our great aim at the moment is to show what a death blow a contracted currency (or even the distant prospect of it) would be in such cases of emergency as the Chicago and other disasters of the present, and TO RECOMMEND AN IMMEDIATE ENLARGEMENT OF THE NATIONAL CIRCULATION; AS, WHILE THIS WOULD BE AN IMMENSE RELIEF TO THE GENERAL TAX-PAYER, AND AS CREATING GENERAL CONFIDENCE; IT MIGHT AT THE SAME TIME BE MADE AN INCALCULABLE BLESSING AS AN INSTRUMENT OF AID TO CHICAGO AND THE OTHER SUFFERING LOCALITIES.

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